

Easterling, Deborah

From: Boyd, Jocelyn
Sent: Thursday, June 20, 2019 10:04 AM
To: Easterling, Deborah; Duke, Daphne
Subject: FW: [External] Joint Comments of the South Carolina Solar Business Alliance , Inc. and Johnson Development Associates ,Incorporated.
Attachments: Solar Alliance Letter 6.18.docx; ATT00001.txt

-----Original Message-----

From: Richard Whitt <rlwhitt@AustinRogersPA.com>
Sent: Tuesday, June 18, 2019 4:44 PM
To: Boyd, Jocelyn <Jocelyn.Boyd@psc.sc.gov>; Melchers, Joseph <Joseph.Melchers@psc.sc.gov>
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Subject: [External] Joint Comments of the South Carolina Solar Business Alliance , Inc. and Johnson Development Associates ,Incorporated.

Jocelyn and Joseph:

Attached are the Joint Comments of the SCSBA and JDA relevant to Code Section 58-41-20.

All parties are copied.

Respectfully submitted,
 Richard Whitt.

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 MAIL / DMS

Austin & Rogers, P.A.

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June 18, 2019

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VIA, ELECTRONIC MAIL

The Honorable Jocelyn Boyd
 Chief Clerk and Administrator
 The Public Service Commission of South Carolina
 101 Executive Center Drive
 Columbia, South Carolina 29210

RE: > DOCKET NUMBERS 2019-176-E, 2019-184-E, 2019-185-E, 2019-186-E
> Joint Comments of the South Carolina Solar Business Alliance, Inc. and
> Johnson Development Associates, Inc.

INTRODUCTION

The South Carolina Solar Business Alliance, Inc. (hereinafter, as “SCSBA”) and Johnson Development Associates, Incorporated, (hereinafter, as “JDA”) both have Petitions to Intervene pending approval by this Commission in each of the four Commission Dockets listed above. Accordingly, SCSBA and JDA submit the following Joint Comments in light of their pending Interventions.

COMMENTS

As the Commission continues to consider the most appropriate procedural and scheduling approach to meeting the requirements of new code section 58-41-20, the South Carolina Solar Business Alliance, Inc. and Johnson Development Associates, Incorporated respectfully submit these comments for consideration, which will serve judicial economy and advance the legislative intent of Act No. 62 of 2019 (“The Act”).

The Act requires this Commission, “as soon as is practicable,” to open a docket for the purpose of establishing each electrical utility’s standard offer, avoided cost methodologies, form contract power purchase agreements, commitment to sell forms, and any other terms or conditions necessary to implement this section. **Within six months after the effective date of this chapter, and at least once every twenty-four months thereafter, the commission shall approve each electrical utility’s standard offer, avoided cost methodologies, form contract power**

purchase agreements, commitment to sell forms, and any other terms or conditions necessary to implement this section.

The term “standard offer” is defined to include the avoided cost rates, standard power purchase agreement (“PPA”), and terms and conditions applicable to purchases of energy and capacity from qualifying facilities two (2) megawatts or less.

Including the items in the definition of “Standard offer,” the items that the Commission must approve within six months include avoided cost methodologies and rates; standard offer PPAs as well as form PPAs for larger projects; commitment to sell forms; and any other terms or conditions necessary to implement Section 58-41-20. Contract term lengths are also required to be addressed by this Commission according to 58-41-20(F)(1) and (2).

The SCSBA and JDA maintain that there will be a substantial overlap of issues and a need for consistency amongst all three utilities as it relates to 1) form contract power purchase agreements, 2) commitment to sell forms, and 3) contract term length. Therefore, the undersigned recommend that, for purposes of judicial economy and the efficient use of Commission and intervenor resources, a consolidated docket be established to consider these three sets of issues.

Additionally, although the Act does not prohibit each utility from adopting its own Commission-approved avoided cost methodology to calculate avoided cost rates, the chosen methodologies should contain certain minimum levels of consistency, and each methodology should be guided by certain fundamental requirements. Therefore, the undersigned recommend that the Commission adopt the following procedural approach in a second consolidated docket – additional to the consolidated docket described above – considering the distinct requirements of: 1) updating avoided cost methodologies and 2) setting avoided cost rates within the timeline prescribed by statute.

The undersigned highlight for the Commission the distinction between avoided cost “methodologies”—the term invoked by the statute—and avoided cost “rates.” Commonly-accepted *methodologies*, for instance, include the proxy methodology, the peaker methodology, and the differential revenue requirements (DRR) methodology. Each of these methodologies can be implemented in various specific ways (for instance, by different assumptions about peaker costs and efficiencies, or different assumptions about what type of proxy power plant accurately reflects marginal costs). Avoided cost *rates* are determined by applying a specific methodology to updated data and cost assumptions.

Proposed Procedural Schedule for Avoided Cost:

The SCSBA and JDA propose that the Commission consolidate the individual utility avoided cost dockets for purposes of conducting an expedited preliminary proceeding to establish guidelines for avoided cost methodologies. All parties would be permitted to file comments proposing avoided cost methodologies or proposed guidelines for key avoided cost methodology issues that the parties believe are necessary and appropriate to implement these methodologies in compliance with the requirements of the Act. The Commission would then hold a technical conference to discuss these comments with the Parties, and Parties would have the opportunity to file supplemental comments after the technical conference. The Commission would then issue an order in the consolidated proceeding establishing such guidelines for avoided cost methodologies, based on the comments and the technical conference.

The utilities would then file proposed avoided cost rates, based on their chosen avoided cost methodology, consistent with the guidelines established by the Commission in the consolidated proceeding. Intervenors would file testimony responsive to the utilities' filings, the utilities would file rebuttal testimony, and parties would file surrebuttal testimony. The Commission would then hold an evidentiary hearing, vote on the respective avoided cost rates by November 18, 2019, and subsequently issue a final order on the avoided cost rates.

- Proposed Tentative Schedule

- PSC Issues Scheduling Order establishing parameters for comments on avoided cost methodologies: **TBD**
- Parties file comments on avoided cost methodology requirements: **July 24, 2019**
- Technical Conference: **July 30, 2019**
- Post-Technical Conference Supplemental Comments: **Aug. 1, 2019**
- Methodology Guidelines Order: **Aug. 8, 2019**
- Utilities file proposed avoided cost rates pursuant to the Guidelines Order: **Aug. 30, 2019**
- Intervenors file Responsive Testimony: **Sept. 27, 2019**
- Utilities file Rebuttal Testimony: **Oct. 11, 2019**
- Intervenor Surrebuttal: **Oct. 18, 2019**
- Hearing Date: **Oct. 23, 2019**
- PSC Vote: **Nov. 13, 2019**
- PSC Order: **TBD**

Respectfully Submitted,

/s/Richard L. Whitt

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cc: All Parties of Record via electronic mail